



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

May 24, 2006

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: David E. Janssen
Chief Administrative Officer

WASHINGTON, D.C. UPDATE

Federal Fiscal Year (FFY) 2007 House Budget Resolution (H. Con. Res. 376)

On May 18, 2006, the House approved its FFY 2007 Budget Resolution (H. Con. Res. 376) by a vote of 218 to 210. The resolution contains the President's proposed \$873 billion overall discretionary spending cap. It is questionable whether a conference agreement can be reached with the Senate, which passed a FFY 2007 Budget Resolution (S. Con. Res. 83) with an \$889 billion spending cap in March. One possible scenario is that the FFY 2006 Supplemental Appropriations bill (H.R. 4939) would be used as a legislative vehicle for adopting an \$873 billion discretionary spending cap, which would eliminate the need for a formal conference agreement on the Budget Resolution.

FFY 2007 Interior-Environment Appropriations Act (H.R. 5386)

On May 18, 2006, the House voted 293 to 128 to approve H.R. 5386, the FFY 2007 Interior-Environment Appropriations bill. Much of the debate on H.R. 5386 centered on a provision in the bill that would have opened areas of the Outer Continental Shelf, including off California's coast, to natural gas exploration. An amendment by Representatives Putnam (R-FL) and Capps (D-CA) to remove this provision from the bill passed by a vote of 217 to 203. Consistent with existing Board policies opposing off-shore drilling, the County's Washington advocates sent letters to

the County's delegation in support of the Putnam-Capps amendment. The Senate Appropriations Committee will not begin to mark up any FFY 2007 appropriations bills until sometime in June.

FFY 2007 Energy and Water Development Appropriations Act (H.R. 5427)

On May 17, 2006, the House Appropriations Committee approved H.R. 5427, the FFY 2007 Energy and Water Development Appropriations bill, which includes funding for Army Corps of Engineers (Corps) civil works projects, including those of importance to the County's Departments of Public Works and Beaches and Harbors. The \$30 billion bill appropriates \$546 million more than the President's budget request, but \$172 million less than in FFY 2006. H.R. 5427 would fund Corps programs at \$4.98 billion, \$251 million above the President's request, but \$345 million below the current funding level. Of this amount, the bill provides \$2.2 billion for operations and maintenance activities, \$1.9 billion for construction activities, and \$128 million for general investigations. Attachment I is a chart with funding levels for projects of County interest, including \$1.46 million for maintenance and dredging of the Marina del Rey Entrance Channel. The bill is scheduled for House floor action on May 24, 2006.

FFY 2007 Homeland Security Appropriations Act (H.R. 5441)

Last week, the House Appropriations Committee approved H.R. 5441, the FFY 2007 Homeland Security Appropriations bill. Overall funding in the bill would total \$32.08 billion, which is \$1.8 billion more than in FFY 2006 and nearly \$1.1 billion more than requested by the President. H.R. 5441 funds homeland security, emergency management, and firefighting grants for state and local governments. Except for two competitive firefighting grant programs, FFY 2007 funding levels for these state and local grant programs would be similar to their current year funding levels, as seen in the attached chart (Attachment II). The House is expected to pass the bill before it leaves for its one-week Memorial Day recess that begins at the end of this week.

FFY 2006 Supplemental Appropriations Bill (H.R. 4939)

Both the House and Senate have passed FFY 2006 Supplemental Appropriations legislation (H.R. 4939), which includes funding for the war in Iraq, post-Katrina hurricane relief efforts, and other emergencies. The House bill includes \$91.9 billion in emergency funding while the Senate version includes \$108.9 billion. The President has indicated that he will veto any bill that exceeds \$94.5 billion. Last week, the President also requested that a total of \$1.9 billion be added to the bill to fund his new border security initiative, which includes \$756 million to deploy 6,000 National Guard personnel along the Southwest border and \$50 million to enhance partnerships with state and local law enforcement agencies that assist in enforcing immigration laws. There have been ongoing informal conference negotiations on the Supplemental Appropriations bill

that may be completed by the end of the week. It is expected that the legislation that comes out of conference will adhere to the President's funding limit.

Telecommunications Reform Legislation (H.R. 5252/S. 2686)

As previously reported, the House Energy and Commerce Committee approved H.R. 5252 (Barton, R-TX), the Communications Opportunities Promotion and Enhancement (COPE) Act, on April 26, 2006. The bill would expedite the entry of telephone companies, such as AT&T and Verizon, into the video (cable) marketplace, by establishing a national franchise process to be administered by the Federal Communications Commission. Under the bill, video providers could bypass the current local government franchise process and choose to be regulated under a national franchise scheme. Federal franchising would effectively restrict or preempt local government authority over public use rights-of-way management, "build-out" requirements that all areas in a community be served, and oversight of consumer protection issues. House floor action is expected on the bill in June. A broad coalition of local government organizations, including the National Association of Counties, the U.S. Conference of Mayors, and the National League of Cities, are opposing the bill in its current form.

In the Senate, Commerce Committee Chairman Stevens (R-AK) and Ranking Member Inouye (D-HI) have introduced similar legislation, S. 2686, the Communications, Consumer's Choice, and Broadband Deployment Act of 2006. Like H.R. 5252, S. 2686 would eliminate local government franchise authority over cable providers by creating a new national franchise process. Unlike its House counterpart, the bill includes other controversial provisions including matters relating to the universal service fund, which subsidizes communications projects in rural and low-income areas, and "net-neutrality" language, which would prohibit cable and Bell telephone companies from acting as content gatekeepers on their high-speed Internet systems. Chairman Stevens has indicated that a revised draft of S. 2686, which addresses some of the concerns raised by local governments on franchise authority, will be circulated on June 5, 2006. Further hearings are scheduled for May 25, 2006 and June 13, 2006 with a full Committee mark-up slated for June 20, 2006.

We will continue to keep you advised.

DEJ:GK
MAL:MT:EW:cc

Attachments

c: All Department Heads
Legislative Strategist

**FUNDING FOR PROJECTS OF COUNTY INTEREST IN
FEDERAL FISCAL YEAR 2007 ENERGY AND WATER DEVELOPMENT
APPROPRIATIONS BILL (H.R. 5427)**

<u>Project</u>	<u>Funding</u>
Construction	
Los Angeles County Drainage Area (LACDA)	\$5,564,000*
Operations and Maintenance (O&M)	
Los Angeles County Drainage Area	5,071,000**
Marina del Rey Channel – Maintenance Dredging	1,460,000
Investigations	
Arroyo Seco Watershed Feasibility Study	200,000
California Sediment Master Plan Feasibility Study	300,000
Coast of California Storm/Tidal Wave Study	200,000
Regional Dredged Material Management Plan	200,000
Los Angeles River Ecosystem Restoration Study	200,000
Sun Valley Watershed Feasibility Study	200,000
Tujunga Wash Restoration Project	150,000

*The LACDA construction funding is intended to close out the LACDA project and complete all contracts.

**While not specified in the report, the House recommends an additional \$1,000,000 for LACDA Operations and Maintenance for an analysis of different methods to offset future O&M costs.

**PROPOSED FEDERAL FISCAL YEAR (FFY) 2007 FUNDING LEVELS
FOR PROGRAMS OF COUNTY INTEREST IN
FFY 2007 HOMELAND SECURITY APPROPRIATIONS BILL (H.R. 5441)
(in millions)**

PROGRAMS	Enacted 2006	President 2007	House 2007
State Homeland Security Grant	\$ 545	\$ 633	545
State and Local Law Enforcement Terrorism Prevention	396	0	400
High-Threat Urban Area Grants	757	838	750
Targeted Infrastructure Protection	0	600	0
Rail and Transit Security	149	0	150
Port Security	149	0	150
Emergency Management Performance Grants	183	170	180
Firefighting Grants	540	293	500
SAFER ¹	109	0	40
Urban Search and Rescue Teams	20	20	20

Footnote

- ¹ SAFER refers to the Staffing for Adequate Fire and Emergency Response Firefighting Program.